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# Advertising and Creative- Communications Services: A Manager's Guide

This guideline is designed to help you put into practice the requirements of the directive *Advertising and Creative-Communications Services*.



Management  
Board  
of Cabinet



# Advertising and Creative-Communications Services: A Manager's Guide

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## Introduction

This guideline is designed to assist managers, communications specialists and purchasing personnel in applying the principles and requirements of the *Advertising and Creative-Communications Services* directive (5-1).

It includes discussions of the directive's application, the four principles upon which it is based, the Advertising Review Board and agencies of record, ministry-run competitions and contracts, controls and evaluations.

## Part I: Overview

### APPLICATION

#### Ministries and Schedule I agencies

The directive on advertising and creative-communications services applies to all ministries and Schedule I agencies.

#### Schedule II and III agencies

The directive applies to Schedule II and III agencies only when they intend to award a contract worth more than \$500,000 over the course of up to three years. In this case, the agencies must contact the Advertising Review Board, the organization which will manage the competition for the contract. (See pages 9 and 10 of this guideline for information on the details of this process.)

When Schedule II and III agencies intend to award a contract worth less than \$500,000, they are not required to follow the directive. However, the Management Board will certainly commend its principles to them.

#### Exemptions

Any ministry or agency can — if it can cite exceptional circumstances — petition the Management Board for an exemption from the requirements of the directive. The granting of an exemption is, however, a rare event: the board believes the directive provides the best means for awarding contracts fairly, openly and in a way that makes government business accessible to all qualified advertising and creative-communications companies.

If contemplating an action that would require an exemption, such as awarding a contract worth more than \$25,000 without competition, or any contract to a non-Canadian company, discuss the matter with the Management Board Secretariat before completing a formal application (the MB20 form) signed by your minister. The secretariat can assess whether or not an exemption is warranted, and assist in the preparation of the application or recommend an alternate course of action.

### WHAT IS ADVERTISING?

For the purposes of the directive, advertising is defined as the industry standard of “paid media announcements.” These involve the purchase of time or space. They include magazine and newspaper (print media) advertisements; radio

and television (broadcast media) advertisements; billboards and posters (outdoor advertisements); and bus, streetcar and subway (transit media) advertisements.

Normally, all purchases of space and time for advertisements are managed by the government's agencies of record unless common sense dictates otherwise, such as in the case of fire notices or other small advertisements in a local newspaper.

Advertising campaigns can be supported by a variety of creative-communications vehicles including direct-mail services, videos, point-of-purchase brochures and promotional items such as banners and bumperstickers, etc.

### WHAT ARE CREATIVE-COMMUNICATIONS SERVICES?

The directive lists five types of creative-communications services—graphic design, editorial services, public relations, communications research and planning, and visual arts.

Creative communications will always comprise a variety of services. New services or an overlap in services provided will become inevitable as technological advancements develop new media and transform existing ones.

Noted below is the Management Board's current interpretation of what is included in the five categories of creative services.

#### Graphic design

Graphic design includes the design of books, brochures, audio-visuals, computer-generated graphics, logos, letterheads, collateral items such as coasters and buttons, etc.; art direction; specifications for artists, illustrators, film-makers, photographers, typographers and printers; production of mechanical art; and consultations (such as colour and press proofings) related to any aspect of the graphics industry.

Graphic design does not include typographical or printing services. These services are to be acquired under the terms of the Management Board's *Supplies, Equipment and Services* directive (2-1). On this matter, note that if a creative-communications company already under contract to a ministry (or agency where applicable) purchases typographical or printing services on behalf of the ministry, this company must also demonstrate that such services were awarded through the competitive process discussed in directive 2-1.

### Editorial services

Editorial services include writing (speeches, scripts, news releases, books, reports, policies, brochures, etc.); editing (content editing, structural editing, production editing, etc.); indexing; and the management of media production.

### Visual arts

Visual arts include photography; illustration; film, video, audio-visual and television production; displays; exhibits; and performing arts such as acting, directing, staging, set designing, etc.

### Public relations

This category encompasses public-relations consultation and programming, which includes research, strategic planning, operational planning, program implementation and evaluation as well as crisis and issue management.

Public-relations exercises may result in the use of advertising, direct-mail services, information brochures, videos or promotional items such as pens, mugs, pins, etc.

### Communications research and planning

Communications research and planning includes (print and electronic) media-scanning services, media evaluation, media tracking, opinion polls, attitudinal research, audience-awareness studies and market research (that is, any research collected and analyzed to influence the production of advertising, marketing, public-relations or communications programs). It may be a component of, for example, a complete public-relations program or implemented as a separate activity.

#### *Polls and market-research studies*

Procedures related to the purchase of market-research studies, commissioned polls, and add-on questions to noncommissioned polls are available from the Associate Secretary of Cabinet in the Cabinet Office.

All noncommissioned polls are purchased by the Ministry of Government Services as a mandatory central common service.

## PUTTING THE PRINCIPLES INTO PRACTICE

Each Management Board directive is founded on principles that support its purpose and explain its mandatory requirements. The directive on

*Advertising and Creative-Communications Services* is based on four such principles: equity, competition, access and innovation.

### Equity

Equity is the cornerstone of every government policy that deals with the awarding of contracts. The private sector expects equal and fair treatment when bidding for government business. It is the manager's responsibility to be fair to all bidders and also to demonstrate that he or she has been so when awarding a contract. Some of the ways in which equity can be achieved are:

- by distributing comprehensive terms of reference;
- by holding briefings that allow all competitors to gain more information about the contract, the organization sponsoring it and the selection procedure;
- by respecting all deadlines associated with the competition;
- by distributing information on the selection criteria to all competitors well in advance of their presentations to the election panel;
- by personally informing the competitors of the results of the competition as soon as they are available.

### Competition

Competition is fundamental to the way in which the government administers its resources. This is evident in the fact that the Management Board has established the Advertising Review Board (ARB) to manage the competitive process for advertising and creative-communications contracts that will exceed \$500,000.

It is the ARB's job to conduct such competitions in a consistent manner (thus satisfying the principle of equity), to disclose competitions (thus satisfying the principle of access), and to ensure that evaluation criteria stress problem-solving skills and creativity (thus satisfying the principle of innovation). For more specific details on how the ARB manages the competition for major projects, see pages 9 and 10 of this guideline.

The principle of competition also applies to contracts worth between \$25,000 and \$500,000. For such contracts, ministries and Schedule I agencies rather than the ARB are responsible for managing the competitive-selection process. In doing so, each will need to devise methods that respect all of the principles and mandatory

requirements of the *Advertising and Creative-Communications Services* directive. Guidelines on this process are laid out in more detail on pages 10 to 13 of this guide.

### Access

Access goes hand in hand with equity. In the context of advertising and creative-communications services, access to large government contracts is assured by the requirement of disclosure. In other words, ministries and agencies must announce widely those competitions for advertising contracts exceeding \$500,000 and for creative-communications contracts exceeding \$250,000. The announcements invite companies to participate in the competitions. Disclosure of the competitions thus gives every Canadian-owned company an opportunity to compete for government business.

In order to satisfy the principle of access, ministries and Schedule I agencies will need to devise methods that make competitions for contracts valued at less than \$500,000 similarly open to qualified vendors.

Even when awarding contracts without competition, which is permissible if the value of the contract is less than \$25,000, managers still must be sensitive to the principle of access. They should attempt to award contracts to as many different companies as are qualified to deliver a service.

### Innovation

Innovation is a criterion used in evaluating the ability of a company to provide a particular service or set of services. Simply put, a company should be able to demonstrate that its problem-solving skills can be used to find creative as well as cost-effective solutions to a specific communications issue or issues.

## CANADIAN OWNERSHIP

To be eligible to receive Ontario government business, an advertising or creative-communications company must be wholly Canadian-owned and have a Canadian board of directors. The selection of advertising or creative-communications services, however, should still be based on an evaluation of capability and suitability with regard to creativity, problem-solving skills, quality and breadth of services, sensitivity to issues and cost-effectiveness.

## Part II: The Players

### ADVERTISING REVIEW BOARD

#### **Establishment and role**

The Advertising Review Board (ARB) was established on 30 September 1985 by the Chairman of the Management Board of Cabinet.

In a statement outlining the government's objectives related to the acquisition of advertising services, the chairman described the board as:

"a central administrative body which will monitor our new advertising policies government-wide. The ARB will oversee the agency selection process and will do regular evaluations of all ministry campaigns to ensure that these are cost-effective and conform to the government's overall quality standards and communications objectives.

The board will consist of five members and will include both public- and private-sector representatives."

#### **Responsibilities**

The *Advertising and Creative-Communications Services* directive interprets the ARB's responsibilities in the following ways.

#### **Major contracts**

The ARB is responsible for managing all competitions for advertising or creative-communications services that will result in the award of a major contract. The term "major contract" refers to any contract worth more than \$500,000 over the course of up to three years. Accordingly, ministries and agencies are responsible for contacting the ARB when they intend to award a contract exceeding \$500,000.

The ARB's management activities include:

- placing announcements that disclose the competition;
- sending information on qualifying criteria and also questionnaires to all companies that respond to the announcements;
- establishing a review panel for the competition;
- reviewing all questionnaires received from the competing companies with members of the review panel;
- shortlisting companies;
- briefing shortlisted companies;
- developing evaluation criteria in collaboration with the sponsoring agency or ministry;
- sending those criteria to competitors;

- chairing capability presentations;
- tabulating results;
- recommending selected companies for ministerial, Management Board and Cabinet approval.

#### **Other contracts**

The ARB is also available to assist ministry and agency managers in running those competitions for contracts less than \$500,000. Such assistance is to be provided at a level that is mutually agreeable to both the ARB and the ministry or agency involved. The ARB's participation can range from actually running the competition on behalf of the organization, just as for a major contract, to offering advice on which companies should participate in the competition, to setting guidelines for the development of evaluation criteria. In effect, the ARB has the capability to consult on any aspect of the government's policy and practices relating to advertising and creative communications.

#### **Extending contracts**

The ARB is empowered to extend advertising or creative-communications contracts, for up to 90 days beyond the expiry date, whenever an extension is necessary. An extension is considered to be justified when a company needs extra time to complete a project or when the ARB requires extra time to set up a competition. The decision to extend a contract is entirely that of the ARB.

The possibility of an extension does not exempt an organization from the need to plan its use of advertising and creative services. Competitions generally take two months — from disclosure to Cabinet approval — to complete. Sometimes the demand for competitions makes an extension the only option. This is in part due to the fact that the ARB's chairman must personally sit on every selection panel. Managers should, therefore, contact the ARB at least four months prior to the expiry of a contract to give the ARB enough time to set up and run any new competition that may be required.

#### **Vetting of advertising campaigns**

The ARB is responsible for reviewing all print and broadcast advertising-campaign themes. The review takes place at the initial creative (rough layout and/or storyboard) stage. It ensures that messages will conform to the government's overall quality standards for public communications.

Specifically, in government advertisements, both genders must have equal representation, with equitable portrayal of visible minorities, disabled persons and seniors, to reflect the diversity of Ontario's population. Material implying gender bias or age or racial stereotyping would not obtain ARB acceptance.

More information on bias or stereotyping may be obtained by contacting the ARB. In addition, information on the government's race-relations policies can be provided by the office of the Cabinet Committee on Race Relations.

### Information bank

As the Ontario government's primary contact with the advertising and creative-communications industries, the ARB is an excellent source of information regarding advertising, creative communications, the companies that work in these fields and companies that already work for the government or are interested in doing so.

In fact, under the terms of the *Advertising and Creative-Communications Services* directive, one of the ARB's responsibilities is to maintain an information bank of companies interested in working for the Ontario government. This bank includes:

- the listing of qualified Canadian-owned advertising and public-relations companies interested in working for the Ontario government;
- information on the number and size of advertising and creative-communications contracts exceeding \$25,000, as well as the names of the consultants and government clients;
- a record of all competition results;
- a centralized record of production expenditures and of the advertising agencies that have been contracted by the government over the years.

Such information can be extremely useful to managers who require creative services, but who aren't sure how or where to acquire the services they need. The ARB is in an excellent position to recommend companies for particular competitions or assignments and to put managers in touch with colleagues who have used the services of these companies.

### Reporting

The ARB must report annually to the Management Board the number and size of all advertising and creative-communications contracts exceeding \$25,000 awarded by the government each fiscal year.

The data for such reports come from ministries and agencies, which are required, under the terms of the *Advertising and Creative-Communications Services* directive, to inform the ARB of what contracts they have awarded within the fiscal year. The data should be sent to the ARB within one month of the close of a fiscal year and should include the following information:

- name and address of the contracted firm or individual;
- value of the contract;
- services to be provided under the contract;
- duration of the contract;
- contracting unit within the ministry or agency.

### Managing

The ARB is responsible for managing the government's agencies of record — the Agency of Record and the Ethnic Agency of Record. These organizations purchase space and time in the domestic media for government advertisements. The ARB also evaluates the performance of the agencies of record, liaises with creative-service agencies and the media with regard to their policies and administration and, if necessary, arbitrates problems between creative-service agencies, the agencies of record and the media.

## AGENCY OF RECORD

The Agency of Record (AOR) acts as the authorized agency for all domestic English, French and Native Indian media purchases made on behalf of the Ontario government except those required for personnel advertising. Its responsibilities include fulfilling all media purchasing requirements for government ministries and agencies once such requirements are approved by the AOR's manager, the Advertising Review Board. The AOR is not, however, responsible for recommending and selecting appropriate media: these tasks are performed by the creative agencies.

There are three situations where ministries and agencies can forego AOR procedures. The first pertains to the placement by field offices of job and tender advertising in local newspapers. The second pertains to emergency notices such as road closures due to snow storms, floods or forest fires. In both of these instances, it is obvious that the direct placement of advertisements in the local media saves valuable time. Finally, AOR procedures can be foregone when purchasing advertising for U.S. and or overseas audiences.

Such advertising should be placed directly by the ministry's creative agency.

Personnel advertising is produced and placed through an advertising company on contract to the Ontario government's Human Resources Secretariat.

### Procedures Manual and Planning Guide

As manager of the AOR, the ARB publishes a detailed *Procedures Manual and Planning Guide* binder to assist managers and creative agencies in working with the AOR. The procedures-manual section of the binder includes a list of AOR personnel, their telephone numbers and their responsibilities.

The AOR's responsibilities include:

- issuing media rate planning guides and specifications for all broadcast and print media;
- consolidating all broadcast and print requests to ensure that the most effective negotiations and efficient volume rates are attained for the Ontario government;
- controlling and executing all broadcast, print and outdoor media (billboards, etc.) — activities which involve issuing media contracts, verifying radio- and television-station affidavits, and organizing print insertions, outdoor-location lists, media billing and payment;
- preparing pre- and post-analyses for ongoing broadcast media upon receipt of each Bureau of Broadcast Measurement (BBM) survey and the completion of advertising campaigns in excess of four weeks' duration.

The manual also outlines the responsibilities of a creative-services agency. These include:

- developing and gaining client approval for all media plans;
- submitting all requests for media space or time to the AOR on or prior to the suggested dates for doing so;
- obtaining client approval for any revisions to media plans;
- notifying the AOR of any broadcast cancellations three to five weeks prior to the requested cancellation date;
- issuing the client with status reports and budget updates;
- supplying the AOR with print and broadcast scheduling instructions.

Ministries and agencies are responsible for approving media plans and requests for purchases of media space and time, issuing

purchase-order authorizations and for paying the AOR. They are also responsible for monitoring media plans (checking for any duplication of messages or overlap of campaigns) and approving any AOR recommendations geared to improving the efficiency of a given advertising campaign.

The remainder of the manual focuses on procedures and schedules related to the management of broadcast instructions to the media, purchase orders, budget control and billing. Finally, it includes examples of standard forms required for the AOR function.

The planning-guide section of the binder consists of parts devoted to details on the costs of television, radio and print advertising.

### ETHNIC AGENCY OF RECORD

The Ethnic Agency of Record (Ethnic AOR) acts as the authorized agency for all ethnic media purchases, fulfilling the same functions in relation to the ethnic media as the AOR fulfils in relation to the English, French and Native Indian media. In addition, it provides ministries and agencies with various creative services in languages other than English or French. It too is managed by the Advertising Review Board.

The Ethnic AOR provides camera-ready material in 36 languages for the ethnic print media. Such advertisements are specifically tailored to each of the 36 third-language groups. While based on and maintaining the original intent of messages designed for placement in official-language publications, they constitute more than a straight translation of such existing text.

The Ethnic AOR also produces radio scripts in up to 36 languages, and television scripts in 21 languages.

Advertising-program coordinators should inform the Ethnic AOR of all proposed ethnic-media advertising at the initial program-planning stage. Such early notification ensures the effective development of advertising material for each of the third-language groups.

The ethnic media bills the Ethnic AOR, which in turn will invoice the ministry or corporation responsible for each advertising campaign.

### Third Language Advertising Program

In cooperation with the Ethnic AOR, the Advertising Review Board administers a special Third Language Advertising Program designed to assist government ministries requiring funding

for ethnic-media advertising. The program's objective is to ensure that the ethnic communities are informed of new and current government programs, legislation, policies and services that affect all citizens of Ontario.

The Advertising Review Board is billed directly by the Ethnic AOR for all expenditures generated through this program.

Further details on the Third Language Advertising Program as well as other procedural details related to ethnic advertising can be obtained by contacting:

Media Coordinator  
Advertising Review Board  
12th Floor  
102 Bloor Street West  
Toronto, Ontario  
M5S 1M8  
(telephones 416/965-3255, 965-4004/5)

## Part III: Procedures

### CONTRACTS EXCEEDING \$500,000

The Advertising Review Board manages the award of all of the Ontario government's advertising and creative-communications contracts that exceed \$500,000 over the course of up to three years. Managers requiring services of this magnitude are responsible for contacting the chairman of the ARB and requesting that a competition be organized. Managers also must provide justification in the form of a communications and/or marketing plan that documents their needs. Once approached, the ARB gets the competition underway with the ministry's or agency's assistance.

The ARB's competitive-selection process for contracts exceeding \$500,000 is discussed below.

#### Disclosure

The ARB's first act is to commission an advertisement announcing the competition. This is run in daily newspapers and trade media such as the *Globe and Mail's* Report on Business, the *Financial Post*, *Adnews* and *Marketing*. It could also be disclosed in ministry news releases. The advertisement includes a brief description of the account, its approximate value, and the qualifications required to service the account. Finally, it states a deadline for receipt of "letters of intent" from companies interested in competing for the account. (See exhibit 1 at the end of this guideline.)

The advertisement opens the competition to any wholly Canadian-owned company that considers itself capable of servicing the account.

#### Qualifying criteria and questionnaire

All companies that respond to an advertisement on or before the deadline are sent information on the qualifications required as well as a capability questionnaire. This material is contained in documents titled *Qualifying Criteria for Creative Services* and *Capability Questionnaire for Creative Services*. (See exhibits 2 and 3.) The documents are fairly standard in format. Their content, however — aside from routine questions related to ownership, size, track record, and range of services — is tailored to each account.

Expertise may be required in strategic planning, marketing, research, translation, retail, the service sector or public policy. The specific

requirements of an account will be highlighted in the capability questionnaire.

To qualify for the competition, seven copies of the completed questionnaire must be returned to the ARB on or before a specified date.

#### Review panel

The ARB strikes a review panel for each competition. It is usually composed of five members and includes the ARB chairman, a representative from the Management Board Secretariat, one from the private sector and two from the client ministry or agency.

#### Short list

Members of the review panel read each completed questionnaire and judge the company's merits in relation to the account's requirements. The panel discusses its evaluations and selects a "short list" of companies that will be invited to make capability presentations. A short list typically includes between four and six companies.

#### Briefing

The ARB invites the shortlisted companies to a joint briefing where they meet the review panel and learn more about the account and the ministry or agency sponsoring it, the competition itself and the government's agencies of record.

Ministry or agency staff usually provide the profile of their organization and of the account. The ARB outlines the competitive-selection process, which includes capability presentations and ministerial, Management Board and Cabinet approval of the selected company. The ARB also distributes the rating criteria (see exhibit 4) against which the panel will judge and score the capability presentations, and informs competitors of the time allowed for a presentation.

Competitors draw lots to determine in what order and what time they will make their presentations on the appointed day.

#### Capability presentations

The duration of a competition's capability presentations is determined jointly by the ARB and the client ministry or agency. Determining factors include the size of an account, its sensitivity and the preference of the client.

It is typical for all capability presentations to be made on the same day. Competitors are allotted the same amount of time to demonstrate their suitability and to respond to the panel's questions (usually 30 to 60 minutes).

Companies making speculative creative proposals will be disqualified. A speculative proposal is one that suggests a specific creative solution. This could take the form of a proposed campaign theme, strategy or specific piece of artwork or other media. Capability is judged not on what a firm might do if it wins the account, but on how well it demonstrates that its past experience and its resources match the requirements of the account, thereby making it best able to service it.

Presentations are judged by each panelist using the predetermined rating criteria handed out at the briefing.

### Scoring

In scoring, each member of the panel rates how well each competitor satisfies each category of the predetermined rating criteria. The categories are usually grouped under four headings: capability, service, sensitivity and overall impression.

As shown in exhibit 4 at the end of the guideline, a point system is used in rating the company against each category. The weight given to each of these categories as well as the criteria that they include are determined by the client ministry or agency in consultation with the ARB selection panel.

Different accounts will undoubtedly demand different skills or at least a different emphasis on such standard skills as problem-solving ability, creativity, account management, media planning, research, languages, services, etc.

Once all the presentations have been made, panelists hand their score sheets over to the ARB chairman who tabulates the results.

### Management Board and Cabinet approval

The next step in the process is to obtain Management Board and Cabinet approval of the results of the competition.

Management Board approval is obtained through a formal application to the Management Board Secretariat that is documented in the Management Board's MB20 form. The ministry should use this form to state both its request and the justification for it. The justification should demonstrate that the ministry or agency has, in selecting a company, fulfilled the requirements of the *Advertising and Creative-Communications Services* directive. The MB20 form must be initialed by the ARB chairman and signed by the minister.

Once Cabinet has confirmed the Management Board's approval, the winner of the competition can be announced.

### Announcement

This final step is coordinated by the ARB. The ministry or agency prepares a press release announcing that an open competition has taken place and that a company has been selected. The ARB then approves the announcement prior to its release by the ministry or agency. Concurrent with the ministry's issuance of the news release, the ARB notifies the winner and the other shortlisted companies of the results of the competition. Written confirmation follows.

## CONTRACTS VALUED AT LESS THAN \$500,000

For contracts that are worth between \$25,000 and \$500,000 over three years, the competitive-selection process is managed by the ministries and agencies themselves rather than by the Advertising Review Board.

Some ministries may opt to provide their managers (and Schedule I agencies) with standard procedures that fulfil all the principles and mandatory requirements contained in the *Advertising and Creative-Communications Services* directive. (Recall that Schedule II and III agencies are not required to follow directive 5-1 when awarding contracts valued at less than \$500,000.) Others may decide to allow individual managers to vary the procedures with each competition, provided that they all comply with the directive's principles and requirements.

There are two other Management Board guidelines that will be especially helpful to managers who must conduct a competition: *Supplies, Equipment and Services: A Manager's Guide* (2-1) and *Consulting Services: A Manager's Guide* (2-2). These guidelines outline a number of procedures open to those who must purchase services competitively. These include initiating a request for quotation, request for tender, or request for proposal. Of course, the ARB procedure outlined above can also be used, in its entirety or modified to suit particular circumstances.

Whatever procedure is chosen depends on a number of factors:

1. cost and availability of the service (Is the required service fairly routine or highly specific? What is the value of the contract?);

2. size and complexity of the project (Will the contract cover a single project or several projects? Will it cover a variety of creative services or be restricted to a particular service?);
3. the nature of the project (Is the project high profile? Does it deal with highly sensitive issues?).

As stated in guideline 2-1, a request for quotation (RFQ) is used to acquire the most routine and common of services — those that are readily available from a large number of suppliers. Requests for quotations can be made in writing or by telephone.

The request for tender (RFT) is a written request for suppliers to submit a price for a particular service. The request may be made by invitation or by advertisement in the appropriate media. It tends to be used for routine services that can be described using standard terms, specifications and conditions of supply.

The request for proposal (RFP) is most appropriate to use when acquiring a unique service — one that will provide an idea, concept or solution. It is thus especially well suited to hiring marketing services and communications-research services. This request is also normally accompanied by the specific terms of reference upon which proposals will be based. Note that RFPs are not designed to solicit actual ideas (speculative proposals) from creative-service companies, but rather to establish a business commitment to generate such proposals. Guideline 2-2 contains a thorough discussion of the RFPs and in this regard is an excellent reference for all managers contemplating the use of this acquisition procedure.

Finally, the ARB's procedure is particularly useful to adopt when a "company agreement" is to be awarded. A company agreement is best understood as a long-term contract that can last for as long as three years and cover a single service or a variety of creative services.

### **Describing the assignment**

The starting point for all competitions is a clear, complete description of the assignment. This may include a description of the type of service(s) required, the knowledge or experience expected, a list of the specific skills needed to do the job, information on the scope of the assignment in terms of the specific tasks to be performed and/or its duration, and details on the approximate size of the contract to be awarded.

### **Long list/short list of companies**

It is not uncommon for companies interested in working with the Ontario government to make that fact known to managers of communications branches, purchasing departments and the ARB. Based on such contacts, it is possible for each ministry to build a file of potential suppliers of particular services. That file or list can always be supplemented by the recommendations of colleagues and professional associations. The ARB-style disclosure of competitions is another method of identifying qualified companies. Of course, disclosure is the method best suited for large contracts or for those that require highly specific services and therefore warrant a "search."

With a list of suitable companies already in hand, one has two options: either to request bids, proposals or capability presentations (depending upon what competitive route is followed) from all the companies or to request these from a short list of companies that have been selected on the basis of some prequalifying criteria.

Remember that under the terms of directive 5-1, you can only acquire advertising and creative-communications services from wholly Canadian-owned companies.

### **Prequalification**

The decision to prequalify is most often based on one of two factors: the number of firms on your list or the size of the contract.

Long lists that are difficult to manage can be trimmed using criteria designed specifically for that task. However, it should be kept in mind that the principle of equal access must be satisfied, which implies that ministries and agencies are obliged to award government contracts to as many different companies as are both qualified for and interested in working for the Ontario government.

The larger the contract, the more important it is to prequalify. Prequalification provides an additional opportunity to examine the qualifications of each company and to compare companies. It also serves to reduce the sum total of expenses incurred by firms in preparing bids, proposals or presentations.

Prequalification should be based on the company's:

- ownership structure;
- location of head office;
- current clients;

- comparable accounts and relevant experience;
- statement of interest in the account;
- range of services;
- references.

Exhibits 2 and 3 at the end of this guideline offer good examples of criteria that could be included in the prequalification process.

Your objective in designing the selection process should be to generate at least three or four valid proposals, bids or capability presentations.

### Briefing

Competitions for large contracts, especially those where prequalification is part of the process, should include a briefing of all competitors.

Such a briefing can serve several purposes. It provides ministry and agency staff with an opportunity to meet competitors on an informal basis and to augment their information about each company, its services and its personnel. They can also outline the competitive-selection procedure and, if capability presentations are to be a part of this procedure, announce the date and location of those presentations. Conversely, competitors can learn more about the account and meet ministry and agency personnel who will manage it, meet those who will evaluate their bids, proposals or presentations and learn of the evaluation criteria against which their bids, proposals or capability presentations will be judged. It is also the time for companies to ask questions about the contract and the selection process. In fact, it is a good practice to confine all such questions to the briefing period.

Further, a briefing is yet another way of demonstrating that competitions are open and fair. All competing companies become privy to the same information and are given an opportunity to meet each other as well as ministry or agency personnel.

One hour is typically sufficient time for a briefing. It should be held at least a week before bids and proposals are due or presentations are made.

### Evaluation criteria

Evaluation criteria can be made available to competitors at the briefing. Wherever they are distributed, they should be available to competitors at least one week before the bids or proposals are due or capability presentations are made. Some contracts, however, may require more than a week's preparation of bids, proposals or presentations. How much time to allot is a

decision that can only be made by those managing the competition.

Evaluations are best handled by a committee consisting of three to five members. As usual, however, the size of the contract should determine if a committee is warranted, how large it should be and who should be part of it.

Contracts awarded on the basis of a bid are typically small enough and routine enough to be awarded by the manager in charge or a purchasing officer. However, where proposals or capability presentations are part of the competitive-selection process, committees comprised of program managers and functional experts are usually best qualified and most interested in evaluating proposals or presentations against predetermined criteria.

If a contract is to be awarded on the basis of a bid, refer to Management Board guideline 2-1 (pages 4 and 5) for suggestions related to receiving, opening and evaluating bids. However, remember that full Canadian ownership rather than some amount of Canadian content of purchases is an evaluation criterion in the case of creative services.

Management Board guideline 2-2 (pages 12 to 16) includes some recommended suggestions related to receiving proposals, interviewing consultants, checking their references and choosing among their proposals — all of which can be applied or adapted to the acquisition of creative services.

If a contract is to be awarded on the basis of a capability presentation, competitors should be given 30 to 60 minutes to demonstrate their ability to handle the contract. Presentations should be judged on the basis of the predetermined criteria announced for the competition. Scoring can follow the ARB model presented as exhibit 4 at the end of this guideline. This model features four standard categories (capability, service, sensitivity and overall impression), each of which can be tailored to the requirements of each account. You can also, however, define other categories that might better express the demands of the assignment.

Based on the results of the evaluation, select a company and obtain whatever approvals are needed before informing it and the other competitors of the decision.

### Informing competitors of results

Once a firm has been selected, all those who competed for a contract should be notified of the result. If the selection was based on a bid or

tender and the competitive process did not involve a briefing, unsuccessful competitors can be informed of the results by letter. If, however, the contract involved a briefing and/or was awarded on the basis of capability presentations, then all competitors should be contacted by telephone and told the outcome. Letters of confirmation can follow.

Whatever the selection method, be sure to inform all competitors of the results as soon as possible. Further, all information obtained from or provided to them should be considered confidential.

Competitors may be informed of the names of other competitors, as well as the name of the successful bidder, if that information is not already known. Competitors also may be advised of their relative strengths and weaknesses in relation to the evaluation criteria. However, they should not be told their exact rating or standing in relation to other competitors unless they finished first.

## CONTRACTS WITHOUT COMPETITION

Contracts valued at less than \$25,000 (taxes included) can be awarded without competition. This provision is designed to give managers the flexibility they need to complete routine, small or urgent assignments quickly and economically.

The decision to single-source a contract does not exempt a ministry or agency from observing the principles of access, equity and innovation.

### Roster/rotation method

A long-standing and workable practice for acquiring professional services is the roster/rotation method. Here, managers create a roster of qualified suppliers of particular services — such as photography, illustration, graphic design, speech-writing or general editorial services — and rotate their routine purchases of such services among those suppliers on the list.

Of course, managers will have developed selection criteria for determining who is to be included on a roster. For creative services, such criteria should be based on the principle of innovation. In other words, it should identify firms that can demonstrate their ability to provide creative, professional yet cost-effective services.

The roster/rotation method also satisfies the principles of equity and access. The more firms that are listed on rosters, the greater the access that the private sector has to government business. And as a roster is developed on the

basis of predetermined selection criteria, qualified vendors are treated fairly and equitably. Government business can be spread throughout the marketplace.

### Exemption from the directive

Ministries and agencies can request the Management Board's approval to award a contract exceeding \$25,000 without competition. However, as discussed on page 2 of this guideline, you should consult the Management Board Secretariat when contemplating such a request. The secretariat can assess your request, assist you in preparing it or suggest an alternative approach.

## CONTROLS

Three control mechanisms are presented in the *Advertising and Creative-Communications Services* directive:

- the requirement to obtain Management Board approval for all contracts exceeding \$500,000;
- a review by the Advertising Review Board of all advertising-campaign themes prior to launch;
- the requirement to record the acquisition of an advertising or creative-communications service in a contract.

The first two requirements already have been discussed in this guideline on page 10 and pages 5 to 6 respectively. This section therefore is devoted to a discussion of contracts.

### Contracts

All purchases of advertising and creative-communications services should be recorded in a contract.

A contract between a ministry or agency and a company can be accomplished in a number of ways: for example, through a purchase order, a letter of agreement, or a formal document prepared by a lawyer that sets out, clause by clause, the duties, indemnities, expectations and obligations of the contracting parties. The choice of contracting form should reflect the complexity of the agreement and the size and duration of the contract.

A purchase order is usually adequate for routine or one-time purchases such as the writing of a speech, the layout of a newsletter, or the purchase of a photograph or illustration.

A letter of agreement is suitable for: assignments that include a variety of services such as graphics, photography, editing and writing; assignments that require exacting

descriptions such as communications plans or market research; and/or assignments with several delivery dates over period of up to one fiscal year.

A formal contract is desirable if large amounts of money — for a single service or a number of services — are to be expended over a period of more than one fiscal year. Such contracts primarily pertain to the long-term relationships outlined in company agreements. The formal contract should either be designed by your legal branch or follow the ARB's standard contract (available from the ARB).

### **Records**

The amount and type of documentation required for each contract depends once again on the size of the contract and whether or not it was awarded as a result of competition.

If *no competition* was held, all purchase orders or letters of agreement and invoices should be retained.

If the contract was the result of a *request for quotation (RFQ)*, retain:

- the names and addresses of all those who bid on the job;
- the bids;
- a description of the assignment;
- a copy of the contract (whatever its form).

If the contract was the result of a *request for tender (RFT)*, you should retain:

- the RFT;
- the names and addresses of those who responded;
- the tenders;
- evaluation criteria and evaluations;
- approvals;
- the contract.

If the contract was the result of a *request for proposals (RFP)*, you should retain:

- the RFP;
- the names and addresses of those who responded;
- prequalification criteria and evaluations (if these were part of the competition);
- the proposals;
- evaluation criteria and evaluations;
- the results of capability presentations (if there were presentations);
- approvals;
- the contract.

If a contract was awarded through the *Advertising Review Board (ARB) process*, the ARB will retain records related to all phases of the competition: that is, to the disclosure of the competition, its qualifying questionnaires, responses to those questionnaires, evaluations of the questionnaires, shortlist, briefing, rating criteria, panel's scoring of the capability presentations, as well as of the ministry's MB20 submission to the Management Board requesting its approval of the results of the competition, the contract, and the announcement of the winner. The ministry or agency will retain a signed copy of its MB20 submission to the Management Board, the ensuing Management Board minute and a copy of the contract.

If a contract is awarded as a result of an ARB-style competition, you should retain information related to all those facets of the competition listed in the above paragraph. However, recall that as Management Board approval is not required for a ministry-run competition, no submissions or minutes will be presented in this case.

### **Reports to ARB**

Within one month of the close of each fiscal year, deputy heads of ministries and agencies are required to report to the ARB on all contracts exceeding \$25,000 that have been awarded by their organizations during the past fiscal year.

Each report should include details on the name and address of the contracted firm, value of the contract, services provided under the contract, duration of the contract and the contracting unit within the ministry or agency.

### **Reports to Management Board**

The ARB reports annually to the Management Board on all data received from ministries and agencies related to the award of contracts exceeding \$25,000 during the past fiscal year.

## **EVALUATING THE RESULTS**

### **Why evaluate?**

One of the responsibilities of every manager is to judge how well a consultant has fulfilled an assignment — be it a single speech or the design of a sophisticated public-relations or advertising program. Formal evaluation is one of the best means of improving one's capacity to select such services and an important consideration for managers who are working to make the most of a budget. It can confirm an initial impression of the quality of a service or product. It can pinpoint

strengths or weaknesses in a selection process. It can also indicate the “right” questions to ask a supplier or consultant: for example, how much of the consultant's experience is directly related to the project at hand?

Further, formal evaluation can be of great use to the evaluated firm. In a competitive marketplace, constant, credible evaluation is nothing less than a survival technique. Companies that care about their reputations need to know if, and to what extent, their clients are satisfied.

### How to evaluate

Small, routine assignments seldom warrant formal evaluation. The manager who commissioned the service can usually assess the result immediately upon completion of the assignment.

However, managers as a matter of routine should formally evaluate all major assignments — that is, those assignments that are complex and/or entail a considerable expenditure, for example \$100,000.

Where formal evaluation is deemed necessary, one question becomes inevitable: Who does the evaluating? Obviously the supplier of the service cannot be called upon to evaluate his or her own performance. This leaves two options: the project manager or an independent evaluator.

The larger the contract, the more important it is to have it assessed by an independent evaluator. That person can come from within one's own unit, branch or ministry, or from any organization within the Ontario government.

To assist project managers and independent evaluators, the Management Board consulting-services guideline 2-2 (pages 19 and 20) includes a list of questions that can be asked in the course of evaluating the success of an assignment. ■

## EXHIBIT 1: SAMPLE ADVERTISEMENT



**Ministry of  
Industry, Trade  
and Technology**

**Government  
of  
Ontario**

### Advertising

### Agency

### Competition

The Ministry of Industry, Trade and Technology (MITT) announces a search for an advertising agency with outstanding credentials.

Suitable candidates will be full-service wholly Canadian-owned agencies in Ontario with staff resources strong in strategic planning and creative skills, able to position and produce memorable business advocacy advertising.

The successful agency will undertake the Ministry's \$900,000 domestic corporate advertising campaign for 1990-91.

Agencies interested in the challenge of the MITT assignment should submit a one-page letter of intent to the Government Advertising Review Board. In return they will receive a qualifying criteria list and a capability questionnaire. The ARB will develop a short list from the responses and invite capability presentations.

Letters of intent (and envelopes) should be marked "INDUSTRY TRADE AND TECHNOLOGY DOMESTIC COMPETITION" and must be received at the ARB office at the address below, no later than 5:00 P.M. MONDAY MAY 12 1990.



### Advertising Review Board

Government of Ontario  
c/o Corporate Advertising &  
Special Projects Office  
102 Bloor Street West, 12th Floor  
Toronto, Ontario M5S 1M8  
Telephone (416) 965-3255 965-4004

## EXHIBIT 2: SAMPLE QUALIFYING CRITERIA

1. The agency must be a wholly Canadian-owned company as per the attached *Advertising and Creative-Communications Services* directive (5-2).
2. A full-service agency is required, able to offer complete advertising services including creative concept and production, account service, media planning and evaluation, and creative and market research.
3. The agency we are seeking should exhibit clear sensitivity to economic renewal and development issues.
4. The agency should understand key economic issues and how to address them both to business and opinion leaders as well as to the general public, encouraging innovation and the use of technology, exporting, domestic production and entrepreneurship.
5. The agency should have relevant experience in communicating to the Ontario business community.
6. The agency should be experienced in French-language communications.

### EXHIBIT 3: SAMPLE CAPABILITY QUESTIONNAIRE

1. Is your company entirely Canadian-owned?
2. Where is your head office located?
3. Please describe in general terms the ownership structure of your agency. If any equity in your company is held outside the company, please indicate the extent of the ownership of such holdings. If your company holds equity in any subsidiary or affiliated companies in the communications field, please provide details.
4. Is your company a full-service agency? Please detail your agency's services with reference to:
  - consultation and account planning;
  - creative services—print and broadcast;
  - media—analysis and planning;
  - research—market research, copy testing, tracking studies;
  - production—print and broadcast;
  - French-language services.
5. An increased recognition of the Ontario government's role in and support of technological innovation and entrepreneurship is a basic strategy for this ministry's advertising thrust. Please describe the experience your company has had with this type of account.
6. Please provide an approximate indication of your annual billings for the last three years.
7. Please list your principal clients and the number of years you have worked with them.
8. Supply information and background on any account(s) you may have at present or have handled in the past that you feel provide relevant experience for this ministry's requirements.
9. Please indicate, by name, title and function, the members of your staff who would be assigned to this account if you were to be selected by the Advertising Review Board.
10. All domestic media buying is handled by McKim Advertising, the Ontario Government Agency of Record, with 12.75 percent rebated to the Ministry's advertising agency. Please describe terms of payment required for services other than media advertising.
11. Any additional information or comments you wish to provide will be welcome.

**DEADLINE:** Please submit 7 copies of your completed questionnaire to:

Advertising Review Board,  
102 Bloor Street West, 12th floor,  
Toronto, Ontario M5S 1M8

By 5:00 P.M., Wednesday July 9, 1990

**EXHIBIT 4: SAMPLE RATING CRITERIA****45 Points 1. CAPABILITY****(20) Creativity**

- clear, concise communication messages
- demonstrated ability to develop innovative, high-impact concepts/executions
- creative experience in service-oriented advertising
- strong image-building campaigns

**(10) Problem-solving track record**

- must demonstrate success in moving campaigns forward (case histories)

**(5) Ability to develop French-language creative****(10) Creative team**

- depth and experience of team assigned
- senior-level involvement and supervision

**35 Points 2. SERVICE****(15) Account services**

- availability of senior management
- demonstrated leadership capabilities
- administrative skills

**(10) Research capability**

- to design and execute relevant market research activity

**(10) Media**

- planning capability and research skills and services
- senior supervision and involvement
- experience in developing and recommending relevant media and alternative communications vehicles

**10 Points 3. SENSITIVITY****(10) Perception of government/ministry objectives****10 Points 4. OVERALL**

- agency's presentation
- commitment/motivation
- personal chemistry

**TOTAL 100 POINTS**

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